

DDP/

Executive Registry
7-0271

MAY 12 1955

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : CIA Supergrade Structure

1. PROBLEM:

To determine the appropriate supergrade structure for CIA in terms of:

- Supergrade ceiling.
- Grade distribution of supergrade positions.
- Distribution of supergrade positions among major components.

2. ASSUMPTIONS:

- A method of fixing and periodically adjusting the CIA supergrade structure should be incorporated into the Agency salary administration program.
- To assure equitable compensation for personnel assigned to the most responsible Agency positions, the number and distribution of CIA supergrade positions should be reviewed periodically to maintain alignment with compensation practices of other comparable Federal Agencies.
- The supergrade category of positions, for purposes of external Agency comparison, includes all full-time positions with authorized salary levels equivalent to or above the base of the GS-16 grade level, regardless of the type of authority for the rate. It includes statutory positions, Foreign Service positions in the Department of State wholly within the supergrade range, GS positions authorized by other legislation, positions in agencies excepted from the Classification Act which are compensated at or above the GS-16 level, etc.

3. FACTS BEARING ON THE PROBLEM:

- In the Federal Government there are numerous basic authorities which establish positions at salary levels above GS-15. These include the following:

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- (1). Executive Pay Act - P.L. 359.
 - (2). Classification Act of 1949 as amended.
 - (3). Defense Production Act of 1950 as extended.
 - (4). Appropriation and Deficiency Fund Legislation.
 - (5). Organic Legislation Establishing Agencies.
 - (6). Reorganization Plans.
- b. There has been a continuous upward trend in the number of supergrade positions in the Federal Government. Reorganization Plans and Supplemental Appropriation Acts for Federal Agencies during the past several years have included authorizations for additional supergrade positions. P.L. 763, effective 1 November 1954, increased the number of supergrade positions authorized under the Classification Act of 1949 from 400 to 550. The President has recommended that the existing ceiling on supergrade positions under the Classification Act of 1949 be removed.
- c. The supergrade structure for the Federal Government as a whole and for most individual agencies is of pyramidal form with fewer positions authorized for each successive grade or salary level above GS-15. Representative patterns are depicted in Annex I hereto.
- d. The present supergrade classification structure of CIA is as follows:



4. DISCUSSION:
- a. There is no regulatory requirement or official guide to follow in determining the size and composition of the CIA Supergrade structure. Therefore, a logical approach is to compare the "supergrade/total personnel" ratios of agencies having missions and function comparable with those of CIA, as was done in the previous Supergrade Authorization Study of 12 December 1952. Using this method, agencies having the following basic characteristics

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were selected for comparison purposes: foreign or inter-governmental operations or relations; national defense or national security functions; functions requiring civilian staff personnel in numerous technical and specialized fields.

- b. The result of inter-agency supergrade structure comparisons are as follows:

<u>Agency</u>	<u>Total Personnel</u>	<u>Supergrade Positions</u>	<u>% Supergrades to Total Personnel</u>
Central Intelligence Agency			
State Department	11,690	232	1.98%
Atomic Energy Commission	5,983	112	1.87%
Foreign Operations Administration	6,066	43	0.71%
U.S. Information Agency	9,518	69	0.72%
Federal Civil Defense Administration	679	21	3.09%
Business and Defense Services Administration	400	27	6.75%
Office of Defense Mobilization	263	32	12.16%

- c. The following considerations are important in determining the significance of variations in agency supergrade percentages:

- (1). The Department of State (1.98%) - This Department is most nearly comparable to CIA because of its world-wide mission, nature of functions, and dispersion of employees and activities. The total personnel figure for the Department of State, 11,690 excludes 9,371 non-citizens employed overseas, mostly non-professional and comparable to CIA indigenous employees under various types of contracts and not included in our total strength figure. In addition, the Department of State FSO-2 class; \$11,130-12,700 p.a.; was not included in the supergrade category since the entrance rate was below that of GS-16.

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- (2). AEC (1.87%) - The primary factor warranting AEC's ratio is its responsibility for staff control and supervision over contractual operations employing thousands of additional personnel and involving large expenditures of funds.
- (3). FOA (.71%) - The low rating corresponds with the FOA mission of rendering defense and economic support to selected geographical areas, a mission believed to be less responsible than the basic functions of the CIA and the Department of State.
- (4). USIA (.72%) - Low rating due to comparatively recent separation from the Department of State, since the agency's supergrade positions consist primarily of those received from that Department.
- (5). Office of Defense Mobilization (12.16%) - Business and Defense Services Administration (6.75%) - Federal Civil Defense Administration (3.09%) - The high ratios of these agencies are due to their status as "standby" agencies which maintain a nucleus of high-level staff personnel to facilitate rapid expansion under emergency conditions. Federal Civil Defense Administration, in addition, must supervise a large number of volunteer personnel not included in the Agency total.
- (6). The combined supergrade ratio of the AEC, Department of State, Foreign Operations Administration, and U.S. Information Agency (33,257 positions, 456 supergrade positions) is 1.37%. This group of agencies represents a composite of functions, operational situations, personnel staffing requirements, and security requirements which are most closely related to the

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- d. Pertinent to the establishment of the Agency supergrade structure is a determination as to the distribution of the supergrade ceiling positions by grade levels. Although no statutory requirement makes this action necessary for CIA, Congress has heretofore set a mandatory grade distribution for supergrade positions under the Classification Act, [REDACTED] Supergrade distributions for the following agencies were also reviewed in the process of determining a reasonable distribution for CIA:

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- (1) all Federal Agencies under the Classification Act; (2) Department of State; (3) Atomic Energy Commission; (4) Foreign Operations Administration; and (5) the U.S. Information Agency. These distributions are presented graphically in Annex I. An analysis of these grade distributions points out a general consistency with the organizational principle that each succeeding higher level of positions has broader area or functional responsibility and consequently fewer authorized positions than the next lower level. However, the current CIA supergrade distribution (Annex II)

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- e. Inasmuch as a composite supergrade ratio of State, AEC, FOA, and USIA is used as the basis for establishing the Agency Supergrade ceiling, the same approach may be followed for determining the Agency supergrade distribution pattern. Due to our excluding from supergrade status of the FSO-2 Class of Department of State and at the same time considering the FSO-1 Class as GS-17, a disproportionate ratio between the GS-16 and GS-17 positions in State results. For this reason, the percentage of Supergrades recommended for GS-16 in CIA is based on a composite of the grade distributions for FOA, USIA, and AEC only whereas the percentage of Supergrades recommended for GS-17 and GS-18 in this Agency is computed from the distribution of all four agencies.

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Since the military strength is included in computing the supergrade authorization, general or flag rank military officers on active duty and Foreign Service Officers with rank of FSO-1 or higher class detailed to perform the duties of Agency positions should obligate a supergrade ceiling position.

- f. Upon conclusion of the previous supergrade study, 12 December 1952, the supergrade ceiling was sub-allotted to major components based on the following formula:

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X Number of Supergrade Positions
Approved for each Component
by the Supergrade Review Board.

Since that date there have been several adjustments in the ceiling based upon changed operational requirements in the Office of the DCI and the reorganization of the Deputy Director (Support) Components.

Alternate methods of allotting the supergrade ceiling among the Agency Components which have been investigated involve distribution of this ceiling based on the ratio of:

- (1). Component T/O to Agency T/O (By number of T/O positions).
- (2). Component Ceiling (Civilian and Military) to Agency Ceiling.
- (3). Number of GS-9 and Above Personnel on Duty in the Component to Number of GS-9 and above personnel on duty in the Agency.
- (4). Number of T/O positions above GS-9 in the Component to the Number of positions above GS-9 on the Agency T/O.
- (5). Number of T/O positions within the GS-13 to GS-15 range in the component to the total number of GS-13 to GS-15 inclusive Agency T/O positions.
- (6). Number of T/O positions in GS-15 in the component to the total number of GS-15 positions on the Agency T/O.

Alternate supergrade ceiling distributions resulting from application of the above ratios are as follows:

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* 3 ceiling spaces transferred from DD/P to DD/S per
3 February 1955.

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Rather than select any single one of the means set forth for distributing the supergrade authorization among components, a combination of two or more of the alternates could be used. If the component ceiling and the number of GS-13 to GS-15 positions were selected, an average of the results obtained by each method results in the following distribution:

Component	Current Supergrade Ceiling	Supergrade Ceiling Based on Personnel Ceiling and No. of GS-13 to GS-15 (incl.) Positions
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This ceiling distribution considers both the size of the component and the level of its positions, and is therefore believed more equitable than a distribution which would consider a single factor. However, the requirements of the Office of the Director and the need for a Supergrade Reserve must likewise be considered. The latter requirements can be met by a proportionate adjustment of DD/S, DD/I, and DD/P ceiling as follows:

Component	Current Supergrade Ceiling	SG Ceiling Based on Comp. Ceiling & GS-13-15 Pos.	Adj. for DCI & SG Reserve	Recommended CIA Supergrade Dist.	Ceiling Obligated
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5. CONCLUSIONS:

- a. The composite supergrade ratio of the Department of State, Foreign Operations Administration, Atomic Energy Commission, and U.S. Information Agency provides a sound and defensible basis for establishing and periodically adjusting the CIA supergrade authorization.

- b. The CIA supergrade authorization should be distributed by supergrade levels consistent with practices in the four outside agencies; AEC, State, FOA, USIA.
- c. The CIA supergrade authorization should be distributed among Agency components on the basis of the component ceiling and the number of GS-13 to GS-15 positions authorized, with appropriate adjustments as indicated to meet requirements of the Office of the Director.
- d. General or flag rank military officers on active duty and Foreign Service Officers with rank of FSO-1 or higher class who are detailed to perform the duties of Agency positions should henceforth obligate supergrade ceiling positions.

6. ACTION RECOMMENDED:

- a. Consistent with Composite supergrade/total personnel ratios and supergrade distribution patterns of the AEC, State, FOA, and USIA

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- ✓ b. The CIA supergrade ceiling should be distributed by components as follows:

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- c. General or flag rank military officers on active duty and Foreign Service Officers of rank FSO-1 or higher class who are detailed to perform the duties of Agency positions should henceforth obligate supergrade ceiling positions.

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L. K. WHITE
Deputy Director
(Support)

ANNEXES:

- I. Comparison of Supergrade Structures - Other Agencies
- II. CIA Supergrade Structure - Present and Proposed

ACTION BY APPROVING AUTHORITY:

APPROVED: , except that recommendation contained in paragraph 6b be restudied and determined after final action in obtaining a CIA increase.

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